

**REMARKS**

**Status of Claims**

Claims 3, 10 and 14 have been cancelled. Claims 1-2, 4, 8-9, 11-13 and 15 have been amended to correct informalities in the claim language and to more clearly define the claimed subject matter.

**Objections**

Claims 1, 2 and 4 are objected to because of the informalities of the claim language. Applicant respectfully submits that the amendments made to these claims overcome this objection.

**Rejection under 35 U.S.C. §112**

Claim 5 is rejected under 35 U.S.C. §112, second paragraph because of lack of antecedent basis. Applicant respectfully submits that the amendments made to the claims overcome this rejection.

**Rejection under 35 U.S.C. §103**

Claims 1, 2, 4-9, 11-13 and 15-18 were rejected under 35 U.S.C. §103, as being obvious over USP Pub. No. 2003/0118192 to Sasaki in view of USP No. 6,574,339 to Kim. For the following reasons, it is respectfully submitted that the present invention as recited by the amended claims is patentable over the cited prior art.

As recited by the amended claims, the present invention relates to a method or product for performing audio information transformation. More specifically, the method includes setting a virtual listening point at a position different from a basic listening point that is set as a position at which a listener listens to an audio; comparing a positional relationship between the basic listening point and the object with a positional relationship between the virtual listening point and the object; setting a position of a virtual sound source; and changing an allocation ratio of an audio to a plurality of audio outputting means based on a compared result in the comparing step, a position of the virtual listening point and the position of the virtual sound source. Thus, as recited by the amended claims, the method utilizes both a position of the virtual listening point and the position of the virtual sound source. The product claims recite similar elements.

Turning to the cited prior art, the pending rejection acknowledges that Sasaki fails to disclose or suggest setting a virtual listening point at a position different from a basic listening point that is set as a position at which a listener listens to audio. Kim is relied upon as curing this defect in Sasaki. However, as explained in col. 5, lines 42-47 of Kim, Kim appears to only utilize a virtual sound source in the computation process. As such, the combination of Sasaki and Kim still fails to disclose or suggest the use of both a position of the virtual listening point and the position of the virtual sound source when determining how to change the allocation ratio of an audio. It is noted that it appears that the “VS” referred to in Fig. 3 and on col. 5, lines 18-20 of Kim is the virtual position from which the listener wants the sound to come from, or in other words, a virtual sound source. Accordingly, as each and every limitations must be

disclosed or suggested in order to establish a prima facie case of obviousness (see, M.P.E.P § 2143.03), and the combination of Sasaki and Kim fail to do so, it is submitted that all pending independent claims, and all claims dependent thereon, are patentable over the combination of Sasaki and Kim.

## Conclusion

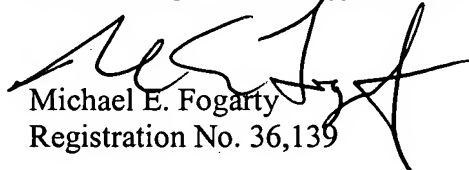
Having fully responded to all matters raised in the Office Action, Applicants submit that all claims are in condition for allowance, an indication for which is respectfully solicited.

If there are any outstanding issues that might be resolved by an interview or an Examiner's amendment, the Examiner is requested to call Applicants' attorney at the telephone number shown below.

Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account 500417 and please credit any excess fees to such deposit account.

Respectfully submitted,

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